



Governor's Office of Economic Development

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What is the GOED Rural Development Enterprise Zone Non-Profit Program?

Purpose: The purpose of the Enterprise Zone/Non-Profit (EZNP) program is to encourage nonprofit organizations (**501C-3 only**) to develop projects that have a positive community and economic impact in rural Enterprise Zone Areas. What is the benefit? If selected and the project approved, the non-profit may provide a Utah state tax credit to their donors who make contributions to the nonprofit corporation for the approved project. The selected non-profits will be provided with a tax credit allocation – the maximum dollar amount that is available to their donors for tax credits.

The details:

- Only non-profits with federal 501C-3 status that are located within designated Enterprise Zones are eligible and one of the organization's primary purposes must include community & economic development.
- GOED will announce the timing and process of the EZNP program and then reviews the applications, if all eligibility requirements are met, then the application will be forwarded to the Governor's Rural Partnership Board (GRPB) for consideration.
- Each year the GRPB Board may allocate up to \$75,000 in any calendar year of tax credits for eligible Non-Profit Projects, with no more than 50% of that amount going to one project.
- If a project is approved by GRPB and given an allocation of tax credits, then GOED will provide the non-profit corporation with an agreement describing the approved amount of non-profit contribution tax credits available to donors who make contributions to the nonprofit corporation for an approved Project, along with the nonprofit corporation's requirements for reporting to the office. These reporting requirements include annual status updates and the final report when the project is completed. Upon complete execution of the agreement, then the non-profit may begin solicitation of donations for which a tax credit could be claimed.
- The total amount of tax credits made available to the non-profit must be used in the 2 calendar years for which it was awarded. The non-profit will provide a list of donors to the approved project to GOED and the amounts of their donation.
- The non-profit must comply with GOED reporting requirements to include annual status updates and the final report when the project is completed.
- Acceptable projects could include:
 - a community event or project that will foster community and economic development and/or;
 - the building or renovating of, or the acquisition of property for
 - a museum;
 - a tourist or visitor center;
 - a theater
 - a building where the use of the building will foster community and economic development
- Non eligible projects:
 - the building or renovating of a state-owned building;
 - providing or funding scholarships; or
 - the building or renovating of a housing project.
- Non-profit donors must complete an application for the tax credit and will need to be certified by GOED. If approved, the donor will be provided with a tax credit certificate that will need to be filed with the donor's tax return. The tax credit certificate will not exceed 50% of the value of the donation to the non-profit approved project.